

House Bill 1210

By: Representatives Channell of the 116th, Sheldon of the 105th, Golick of the 34th, Cooper of the 41st, and Cole of the 125th

A BILL TO BE ENTITLED
AN ACT

To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, so as to provide for an income tax deduction for high deductible health plans established and used with a health savings account; to provide for an income tax credit for certain employers who provide high deductible health plans established and used with a health savings account; to provide for procedures, conditions, and limitations; to provide for powers, duties, and authority of the state revenue commissioner with respect to the foregoing; to provide for related matters; to provide for applicability and effective dates; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is amended by adding a new paragraph in subsection (a) of Code Section 48-7-27, relating to computation of taxable net income, to read as follows:

"(13.1) An amount equal to 100 percent of the premium paid by the taxpayer during the taxable year for high deductible health plans established and used with a health savings account under the applicable provisions of Section 223 of the Internal Revenue Code to the extent the deduction has not been included in federal adjusted gross income, as defined under the Internal Revenue Code of 1986, and the expenses have not been provided from a health reimbursement arrangement and have not been included in itemized nonbusiness deductions;".

SECTION 2.

Said title is further amended by adding a new Code section to read as follows:

1 "48-7-29.13.

2 (a) As used in this Code section, the term:

3 (1) 'Qualified health insurance' means a high deductible health plan that includes, at a
4 minimum, catastrophic health care coverage which is established and used with a health
5 savings account under the applicable provisions of Section 223 of the Internal Revenue
6 Code.

7 (2) 'Qualified health insurance expense' means the expenditure of funds of at least
8 \$250.00 annually for health insurance premiums for qualified health insurance.

9 (3) 'Taxpayer' means an employer who employs directly, or who pays compensation to
10 individuals whose compensation is reported on Form 1099, 50 or fewer persons and for
11 whom the taxpayer provides high deductible health plans that include, at a minimum,
12 catastrophic health care coverage which are established and used with a health savings
13 account under the applicable provisions of Section 223 of the Internal Revenue Code and
14 in which such employees are enrolled.

15 (b) A taxpayer shall be allowed a credit against the tax imposed by Code Section 48-7-20
16 or 48-7-21, as applicable, for qualified health insurance expenses in an amount of \$250.00
17 for each employee enrolled for twelve consecutive months in a qualified health insurance
18 plan if such qualified health insurance is made available to all of the employees and
19 compensated individuals of the employer pursuant to the applicable provisions of Section
20 125 of the Internal Revenue Code.

21 (c) In no event shall the total amount of the tax credit under this Code section for a taxable
22 year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the
23 taxpayer against succeeding years' tax liability. No such credit shall be allowed the
24 taxpayer against prior years' tax liability.

25 (d) The commissioner shall be authorized to promulgate any rules and regulations
26 necessary to implement and administer the provisions of this Code section.

27 (e) The credit allowed by this Code section shall apply only with regard to qualified health
28 insurance expenses."

29 **SECTION 3.**

30 Sections 1 and 2 of this Act shall become effective on January 1, 2009, and shall be
31 applicable to all taxable years beginning on or after January 1, 2009. The remaining sections
32 of this Act shall become effective upon its approval by the Governor or upon its becoming
33 law without such approval.

34 **SECTION 4.**

35 All laws and parts of laws in conflict with this Act are repealed.